

## Arizona State Schools for the Deaf and the Blind

	FY 2023 ACTUAL	FY 2024 ESTIMATE	FY 2025 BASELINE
<b>PROGRAM BUDGET</b>			
Administration/Statewide	9,806,600	9,404,000	8,773,300
Phoenix Day School for the Deaf	12,293,100	10,811,200	10,811,200
Preschool/Outreach Programs	6,990,800	7,656,200	7,656,200
Regional Cooperatives	15,417,400	19,915,300	19,621,400
Tucson Campus	12,701,500	13,330,400	13,330,400
<b>AGENCY TOTAL</b>	<b>57,209,400</b>	<b>61,117,100</b>	<b>60,192,500</b>
<b>OPERATING BUDGET</b>			
<i>Full Time Equivalent Positions</i>	562.2	562.2	562.2
Personal Services	21,573,000	20,486,500	20,486,500
Employee Related Expenditures	9,220,800	8,649,600	8,649,600
Professional and Outside Services	3,504,700	4,820,200	4,820,200
Travel - In State	88,900	156,000	156,000
Travel - Out of State	8,400	25,200	25,200
Other Operating Expenditures	6,895,400	6,247,300	5,616,600
Equipment	500,800	448,000	448,000
<b>OPERATING SUBTOTAL</b>	<b>41,792,000</b>	<b>40,832,800</b>	<b>40,202,100</b>
<b>SPECIAL LINE ITEMS</b>			
School Bus/Agency Vehicle Replacement	0	369,000	369,000
Cooperative Services	15,417,400	19,915,300	19,621,400 <sup>1/</sup>
<b>AGENCY TOTAL</b>	<b>57,209,400</b>	<b>61,117,100</b>	<b>60,192,500 <sup>2/</sup></b>
<b>FUND SOURCES</b>			
General Fund	27,150,400	25,991,300	25,991,300
<u>Other Appropriated Funds</u>			
Cooperative Services Fund	15,417,400	19,915,300	19,621,400
Schools for the Deaf and the Blind Fund	14,641,600	15,210,500	14,579,800 <sup>3/</sup>
<b>SUBTOTAL - Other Appropriated Funds</b>	<b>30,059,000</b>	<b>35,125,800</b>	<b>34,201,200</b>
<b>SUBTOTAL - Appropriated Funds</b>	<b>57,209,400</b>	<b>61,117,100</b>	<b>60,192,500</b>
<u>Other Non-Appropriated Funds</u>			
Other Non-Appropriated Funds	2,386,300	1,982,700	1,982,700
Federal Funds	2,965,800	3,205,000	3,205,000
<b>TOTAL - ALL SOURCES</b>	<b>62,561,500</b>	<b>66,304,800</b>	<b>65,380,200</b>

**AGENCY DESCRIPTION** — The Arizona State Schools for the Deaf and the Blind (ASDB) provides comprehensive educational programs for students with sensory impairments from birth to age 22. ASDB has 2 main campuses, a day school in Phoenix and a residential campus in Tucson, satellite preschools in the Tucson and Phoenix Metropolitan areas, and 5 regional offices from which cooperative programs with school districts are operated. ASDB also serves infants and toddlers throughout the state. As of May 2023, ASDB served 2,187 children: 362 students in the K-12 programs (121 in Tucson and 241 in Phoenix), 191 children in preschools, 555 infant/toddlers in regional areas, and 1,079 children through the 3 existing regional cooperatives.

### FOOTNOTES

- <sup>1/</sup> Before spending any cooperative services and monies in excess of \$19,621,400 in fiscal year 2024-2025, the Arizona state schools for the deaf and the blind shall report to the joint legislative budget committee the intended use of the monies. (General Appropriation Act footnote)
- <sup>2/</sup> General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Program

3/ Before spending any schools for the deaf and the blind fund monies in excess of \$14,579,800 in fiscal year 2024-2025, the Arizona state schools for the deaf and the blind shall report to the joint legislative budget committee the intended use of the monies. (General Appropriation Act footnote)

**Operating Budget**

The Baseline includes \$40,571,100 and 562.2 FTE Positions in FY 2025 for the operating budget. These amounts consist of:

	<u>FY 2025</u>
General Fund	\$25,991,300
Schools for the Deaf and the Blind Fund	14,579,800

Adjustments are as follows:

**Base Adjustment**

The Baseline includes a decrease of \$(928,100) from the ASDB Fund in FY 2025 for a base adjustment reflecting lower-than-anticipated revenues compared with the enacted budget. The FY 2024 enacted budget assumed the ASDB fund would receive total revenues of \$15,210,500 from special education vouchers and state land trust endowment earnings. We estimate, however, that actual revenues into the ASDB Fund in FY 2024 will be \$14,282,400, or \$(928,100) less than the appropriated amount. The \$14,282,400 estimate assumes that caseloads in ASDB's site-based programs would remain unchanged at 475 between FY 2023 and FY 2024.

**Enrollment**

The Baseline includes no net funding change from the Schools for the Deaf and the Blind (ASDB) Fund in FY 2025 for enrollment. The Baseline assumes that enrollment in ASDB site-based programs remains at the May 2023 level of 475 and therefore includes no funding increase or decrease for enrollment changes for ASDB for FY 2025.

**Revenue Increase**

The Baseline includes an increase of \$297,400 from the ASDB Fund in FY 2025 for revenue adjustments, including:

- \$267,600 for a 2.0% increase to the Base Level component of the Special Education voucher formula. A.R.S. § 15-901.01 requires annual increases for inflation in the per pupil “base level” in the Basic State Aid (BSA) formula. BSA base level increases for inflation also increase ASDB’s voucher funding. The Baseline increases the BSA base level by 2.0% for inflation in FY 2025, which will increase special education voucher funding into the ASDB Fund by an estimated \$267,600 in FY 2025.
- \$29,800 for increased land trust endowment revenues in FY 2025.

These revenue increases total to \$297,400, and when combined with the 2024 base adjustment of \$(928,100), the total ASDB Fund Baseline adjustment is \$(630,700). As a result, the Baseline decreases the ASDB Fund appropriation in FY 2025 by \$(630,700) to match forecasted revenues.

**Foundation for Blind Children**

The Baseline maintains funding in FY 2025 for the preschool program at the Foundation for Blind Children at the previously appropriated level of \$1,054,100.

*Background* – Special education voucher monies in the ASDB Fund represent ASDB’s reimbursement from the Arizona Department of Education (ADE) for educational costs based on its enrollment. As with school districts, ASDB’s ADE funding is determined by statutory formula. These monies are deposited into the ASDB Fund. If enrollment is higher than anticipated, ADE will distribute additional funding to ASDB. These monies can be spent without a new appropriation, as ASDB is provided budget flexibility through an ongoing General Appropriation Act footnote.

**School Bus/Agency Vehicle Replacement**

The Baseline includes \$369,000 from the General Fund in FY 2025 for School Bus/Agency Vehicle Replacement. This amount is unchanged from FY 2024.

Monies in this line item are used for the purchase of new school buses and agency vehicles. According to the Arizona Department of Administration - School Facilities Division rules for ASDB, a gasoline-powered bus should be replaced after 10 years or 150,000 miles. (*Please see the FY 2022 Appropriations Report for more background*).

**Cooperative Services**

The Baseline includes \$19,621,400 from the Cooperative Services Fund in FY 2025 for Cooperative Services. Adjustments are as follows:

**Base Adjustment**

The Baseline includes a decrease of \$(242,800) from the Cooperative Services Fund in FY 2025 for a base adjustment reflecting lower-than-anticipated revenues in comparison with the enacted budget. The FY 2024 enacted budget assumed the Cooperative Services Fund would receive total revenues of \$19,915,300 in FY 2024 from special education vouchers, membership fees, and

tuition. We estimate, however, that actual revenues into the Cooperative Services Fund in FY 2024 will be \$19,672,500, or \$(242,800) less than the appropriated amount. Our estimate assumes total enrollment of 584 vouchered students in the ASDB regional cooperatives in FY 2024, which is unchanged from FY 2023.

**Enrollment**

The Baseline includes no net funding change from the Cooperative Services Fund in FY 2025 for enrollment. The Baseline assumes that enrollment of voucher students in regional cooperatives remains at the May 2023 level of 584, and therefore includes no funding increase or decrease for enrollment changes for ASDB's Cooperative Services Fund for FY 2025.

**Revenue Decrease**

The Baseline includes a decrease of \$(51,100) from the Cooperative Services Fund in FY 2025 for estimated revenue adjustments, including:

- An increase of \$320,200 for a 2.0% increase to the Base Level component of the Special Education Voucher formula. A.R.S. § 15-901.01 requires annual increases for inflation in the per pupil "base level" in the Basic State Aid (BSA) formula. BSA base level increases for inflation also increase ASDB's voucher funding. The Baseline increases the BSA base level by 2.0% for inflation in FY 2025, which will increase special education voucher funding into the Cooperative Services Fund by an estimated \$320,200 in FY 2025.
- A decrease of \$(371,300) in revenues from district membership fees and tuition receipts based on ASDB estimates of those fund sources.

The Base Level and other revenue adjustments total to \$(51,100), and when combined with the base adjustment of \$(242,800), the total Cooperatives Service Fund Baseline adjustment is \$(293,900). As a result, the Baseline decreases the Cooperative Services Fund appropriation in FY 2025 by \$(293,900) to match forecasted revenues.

*Background* – Regional Cooperatives provide services for deaf and blind students who are being served in a variety of settings in their home school district instead of an ASDB site-based program. The services offered by cooperative programs include full or partial inclusion in general education classrooms, resource rooms, and self-contained special education classes. Enrollment in ASDB's regional cooperatives as of May 2023 was 1,079.

The regional cooperatives, like ASDB's site-based programs, are funded by Special Education Vouchers paid by the Arizona Department of Education pursuant to A.R.S. § 15-1202. The program is also funded by tuition monies paid by participating districts as well as district membership fees.

The monies in this line item represent the total estimated monies available for the program from vouchers, tuition, and district membership fees deposited in the Cooperative Services Fund. If available revenues exceed the original appropriation, a General Appropriation Act footnote stipulates that ASDB submit a report to JLBC detailing the intended use of the monies.

SUMMARY OF FUNDS	FY 2023 Actual	FY 2024 Estimate
<b>ASDB Classroom Site Fund (SDA2486/A.R.S. § 15-1305)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Monies transferred to the fund pursuant to A.R.S. § 15-1305 from a 0.6% sales tax and growth in the Permanent State School Fund expendable earnings above the FY 2001 level. Funding level is determined by the "Group A" and "Group B" weighted student count, as specified in A.R.S. § 15-943.		
<b>Purpose of Fund:</b> To provide additional funding for class size reduction, teacher base pay and performance pay compensation, assessment intervention programs, teacher development, and teacher liability insurance premiums.		
<b>Funds Expended</b>	1,478,100	1,831,100
<b>Year-End Fund Balance</b>	6,629,200	8,266,500

SUMMARY OF FUNDS	FY 2023 Actual	FY 2024 Estimate
<b>Cooperative Services Fund (SDA4221/A.R.S § 15-1202)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> Revenues consist of tuition payments made by participating school districts or special education voucher monies claimed on their behalf by the Arizona School for the Deaf and Blind. Funds are used to support educational programs and supplemental services offered at the 3 state regional cooperatives.		
<b>Purpose of Fund:</b> To receive special education voucher monies paid to ASDB by the Department of Education on behalf of students enrolled in one of ASDB's 3 regional cooperatives, tuition payments from school districts, and district membership fees.		
<b>Funds Expended</b>	15,417,400	19,915,300
<b>Year-End Fund Balance</b>	10,706,500	10,991,700
<b>Enterprise Fund (SDA4222/A.R.S. § 15-1323)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Monies received from fees, rentals, and other charges from the non-school use of facilities.		
<b>Purpose of Fund:</b> To defray the costs of operating those facilities (i.e. auditorium).		
<b>Funds Expended</b>	95,700	70,800
<b>Year-End Fund Balance</b>	383,000	479,600
<b>Federal Grants (SDA2000/A.R.S. § 15-1303)</b>		<b>Federal Funds</b>
<b>Source of Revenue:</b> Federal Grants - Title I aid to schools; vocational rehabilitation; National School Lunch and Breakfast programs; Arizona deaf-blind project; preschool services; and Arizona Early Intervention program.		
<b>Purpose of Fund:</b> To be expended as stipulated by federal statutes authorizing the federal grants.		
<b>Funds Expended</b>	2,965,800	3,205,000
<b>Year-End Fund Balance</b>	1,420,400	3,227,600
<b>Instructional Improvement Fund (SDA2492/A.R.S. § 15-979)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Shared revenue from Indian gaming, as authorized by Proposition 202 from the 2002 General Election. The Instructional Improvement Fund receives 56% of total shared revenue from Proposition 202. This is distributed among school districts, charter schools and ASDB based on student counts.		
<b>Purpose of Fund:</b> To provide for classroom size reduction, teacher salary increases, dropout prevention, and instructional improvement.		
<b>Funds Expended</b>	0	0
<b>Year-End Fund Balance</b>	1,800	1,800
<b>Schools for the Deaf and the Blind Fund (SDA2444/A.R.S. § 15-1304)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> "Special Education Fund" monies that ASDB receives from the Arizona Department of Education under the formula prescribed in A.R.S. § 15-1204. This formula is based on the number of pupils attending ASDB and the various special education "Group B" funding categories that those pupils qualify for under A.R.S. § 15-943(2b). This fund also receives expendable land endowment earnings pursuant to A.R.S. § 15-1304 and over-age and non-resident tuition income pursuant to A.R.S. § 15-1345.		
<b>Purpose of Fund:</b> To cover the cost of educating students receiving special education services at ASDB.		
<b>Funds Expended</b>	14,641,600	15,210,500
<b>Year-End Fund Balance</b>	3,897,600	3,093,800
<b>State Grants (SDA2011/A.R.S. § 15-1303)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> "Direct Services Claiming" (DSC) reimbursements and grants by private corporations and other state agencies.		
<b>Purpose of Fund:</b> To reimburse ASDB for DSC-related expenditures and to accomplish specific projects of interest to the donor and ASDB.		
<b>Funds Expended</b>	727,500	0
<b>Year-End Fund Balance</b>	545,600	627,800
<b>Telecommunication Fund for the Deaf (SDA1700/A.R.S. § 36-1947)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> Telecommunications Services Excise Tax, which is a 1.1% surcharge on local telephone bills.		
<b>Purpose of Fund:</b> To supplement funding to ASDB's Early Childhood and Family Education Program.		
<b>Funds Expended</b>	0	0
<b>Year-End Fund Balance</b>	561,000	561,000

SUMMARY OF FUNDS	FY 2023 Actual	FY 2024 Estimate
<b>Trust Fund (SDA3148/A.R.S. § 15-1303)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Monies received from private endowment, which are outside the control of the State Treasurer and are held by the ASDB Board.		
<b>Purpose of Fund:</b> Spent at the discretion of ASDB.		
<b>Funds Expended</b>	85,000	80,800
<b>Year-End Fund Balance</b>	139,500	218,800